



# MIDDLE EAST AND NORTH AFRICA ON THE GLOBAL JUSTJOBS INDEX

The JustJobs Index 2014 is a joint effort of the  
JustJobs Network and Fafo Institute for Applied International Studies.



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# WHY THE JUSTJOBS INDEX?

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Work is fundamental to quality of life. Whether salaried or self-employed, whether on family farms or in high-tech manufacturing facilities, people across cultural and political contexts rely on their work to earn a living, to establish their dignity, to fulfill family and social obligations, and to satisfy the aspirations that drive and motivate them on a daily basis.

But for too many people around the world, the prospect of a good job has grown dim, with the global employment crisis deepening. Over 200 million people around the globe are out of a job, almost 40 percent of them youth. Many more – approximately half the global workforce – labor in the informal sector, where they lack basic protections. And even formal sector workers increasingly find their wages stagnant and their benefits stripped away.

***“...good jobs are the prerequisite for any economy to remain healthy..”***

Work is fundamental to people’s well being, and global leaders are increasingly realizing that it is fundamental to the well being of economies too. There is growing recognition that a lack of employment constricts aggregate demand and hinders economic expansion; in other words, good jobs are the prerequisite for any economy to remain healthy in the long run. Workers who power the global economy must themselves be empowered, with “just jobs” – complete with appropriate remuneration, rights at work, social protections and opportunities for economic mobility.

Despite this recognition, jobs have yet to enjoy the same treatment as other indicators of economic health. The financial crisis unveiled the limitations of using metrics like Gross Domestic Product (GDP), or indices that measure competitiveness and the ease of doing business, as proxies for economic

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opportunity. But politicians, policymakers, and the private sector still look to these measures alone because they lack a more sophisticated tool for analyzing performance on the economic indicator that matters most to ordinary people: jobs.

It is within this context that JustJobs Network and Fafo Institute for Applied International Studies have developed the Global JustJobs Index (JJI) – a comprehensive, data-driven approach to measuring the quantity and quality of jobs around the world.

The 2014 JJI ranks countries on one of the most important metrics of economic success: just job creation. The first-ever index to measure both quantity and quality of jobs, the JJI broadens the discourse on employment beyond the incomplete metric of unemployment and delves into the political economy factors driving the rankings.

The Global JustJobs Index, which ranks 148 countries on quality and quantity of employment, is rooted in three core dimensions: employment, social security, and gender equality.

Rather than look only at the employment landscape as a static snapshot, the JustJobs Index includes several measures of equality, given the close linkages between equality and economic mobility. In other words, a country's score on the index demonstrates not only the conditions and opportunities in the labor market today, but also the extent to which working people are empowered to create a better tomorrow.

***“The JJI ranks countries on one of the most important metrics of economic success: just job creation.”***

# CONSTRUCTION OF THE INDEX

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The Global JustJobs Index (JJI) is grounded in three dimensions: employment, social security, and gender equality. Taken together, these three areas offer insight into the experience of workers in different countries around the world. Indicators within these dimensions are used to generate a dimensional score, and dimensional scores are averaged to generate a composite score. This composite score is a country's "grade" on the index, and it is used to rank countries globally.

Table 01

## Global JustJobs Index : Dimensions and Indicators

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### 01

#### Employment

1. Labor force participation rate
2. Unemployment rate
3. Youth unemployment rate
4. GDP per capita
5. Gini coefficient

### 02

#### Social security

6. Active contributors to pension scheme in working age population
7. Total public expenditure on social protection and health
8. Total health care expenditure not financed by out-of pocket payments

### 03

#### Gender equality

9. Ratio of female-to-male employment rates
10. Ratio of female-to-male labor force participation rate



### Dimension 1: Employment

The first dimension, employment, mainly refers to employment opportunities. Five indicators are used to capture aspects of employment opportunities: labor force participation rate; total unemployment rate; youth unemployment rate; GDP per capita; and Gini coefficient.

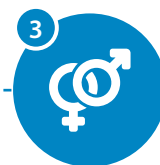
The employment dimension is the heart of the index. Jobs are the vehicle through which people participate productively in their national economies. High-quality employment produces economic growth and at the same time distributes the gains from that growth in a fair and sustainable way.



### Dimension 2 : Social Security

The social security dimension refers to government measures that provide social benefits, in cash or in kind. This dimension is comprised of three indicators: contribution to pension scheme; total public social protection and health expenditures; and total health care expenditure not financed by private households.

A strong social safety net is critical in ensuring that economic growth is inclusive and that its benefits are widely shared. Research demonstrates that the poverty elasticity of growth – that is, how effective growth is in reducing poverty – is directly correlated to the strength of social institutions, since they enable people to participate productively in the economy. A minimum level of social safety nets also help prevent a “race to the bottom” – where countries exploit the low cost of labor to invite investment and, in turn, working conditions suffer.



### Dimension 3 : Gender equality

The third dimension of the Global JJI 2014 is gender equality in the labor market. It includes two indicators: ratio of female-to-male employment-to-population ratio and ratio of female-to-male labor force participation rate.

# MIDDLE EAST & NORTH AFRICA ON THE INDEX

The Middle East and North Africa consists of a range of nations -- from those mired in conflict and unwieldy political transitions to oil-rich monarchies, each confronting its own set of labor market challenges. The unfortunate reality is that the countries in the region are some of the worst performing on the Global JustJobs Index.

Twelve out of the fifteen countries in the region included in the Global JJI are in the bottom fifty of

the rankings. Six out of the ten worst performing countries are from the MENA region.

Israel, the more developed of the countries in the region, ranks 20th out of 148 nations included in the Global JJI. Israel has the highest public expenditure on social protection as a percentage of GDP. It also has the highest ratio of female to male employment rates. In addition, all workers are required to actively contribute to pension schemes. Yet, Israel remains

Table 02

## MENA Countries Rankings on Global JJI (148 countries)

Israel	21	21	23	25	27	27	28	22	19	19	19	19	20
Kuwait	65	68	74	75	77	79	80	84	85	84	87	85	81
Qatar	95	94	96	95	96	90	84	82	82	83	83	82	87
Turkey	126	126	125	125	129	129	128	127	126	126	120	115	111
Tunisia	137	135	134	134	135	134	134	131	130	132	130	130	129
Oman	133	133	133	133	131	130	133	134	135	135	133	133	132
Algeria	147	147	147	144	140	137	135	135	133	131	131	131	133
Jordan	141	142	140	142	139	141	142	140	140	138	137	136	135
Egypt	140	140	141	140	141	142	138	136	136	136	136	137	137
Iraq	136	136	136	141	143	138	139	139	138	137	138	138	138
Morocco	135	137	137	136	136	136	137	138	139	140	139	140	140
Iran	145	141	142	139	138	140	141	142	142	142	142	142	142
Lebanon	138	138	138	137	137	139	140	141	141	141	141	141	143
Syria	142	145	145	143	144	145	146	146	146	146	146	146	146
Yemen	143	143	144	146	147	147	147	147	147	147	148	147	147

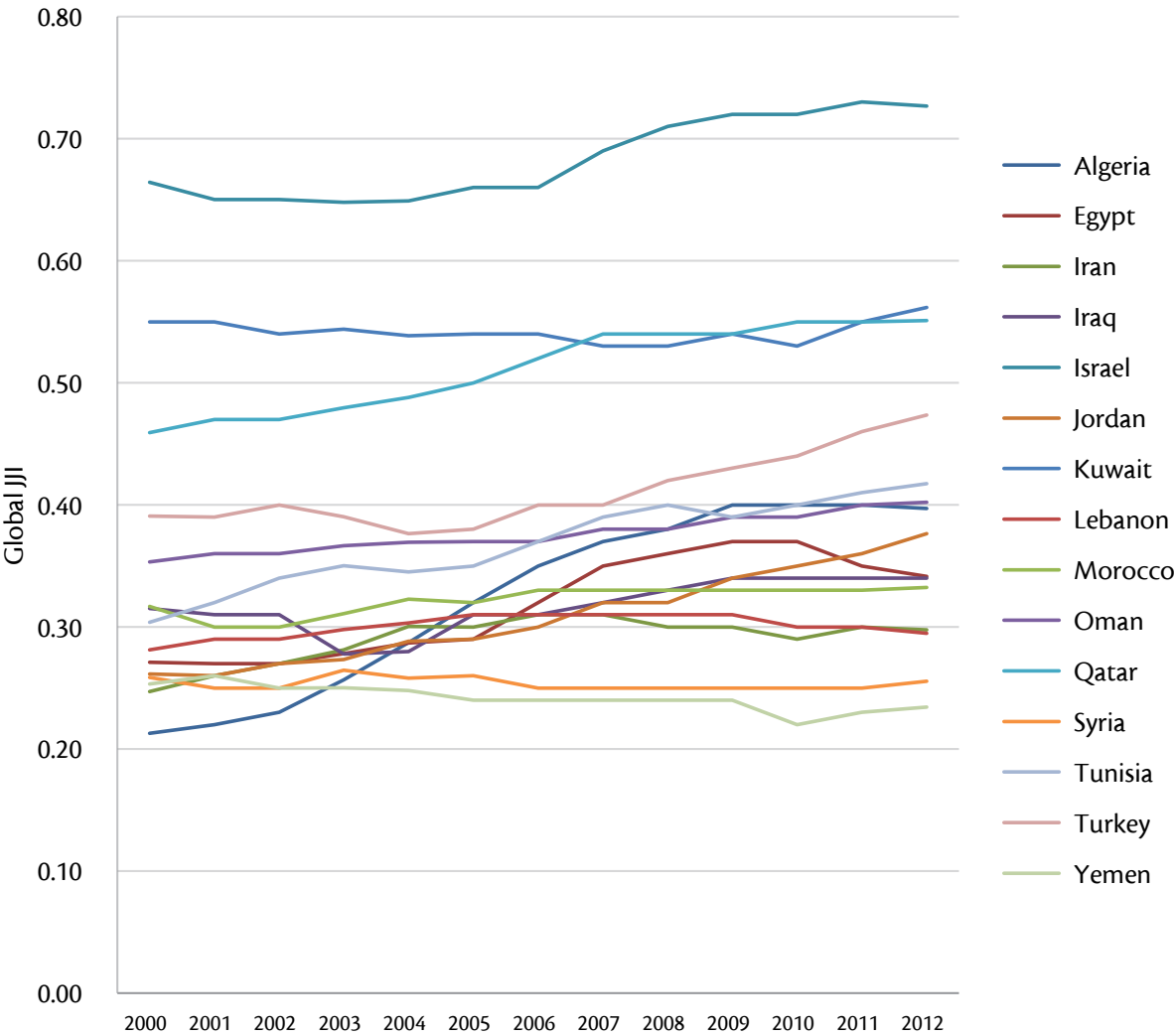


on the radar of labor rights watchdogs for its discriminatory practices against migrant workers.

Two other countries in the region, Kuwait and Qatar, have received attention for exploitative labor practices, but they perform well on the index relative to other countries in the region ranking 81st and 87th respectively.

Breakout nation Turkey performs poorly on the index in spite of being one of the more developed

economies in the region. It ranked 111th in 2012. However, in the 12-year period from 2000 to 2012, its composite score increased by 21 percent, which is a faster rate of improvement than emerging economies such as China and Brazil. They improved their composite scores by 13 percent and 15 percent, respectively. Turkey's improvement, however, was slower than other countries in the region such as Algeria, which improved its score by 90 percent, and Jordan and Tunisia, which improved their scores by 46 percent and 40 percent, respectively.



MENA Countries – Composite Scores on Global JJI

## Comparing MENA countries on key indicators

To understand how MENA countries stack up relative to one another, this section highlights performance across the region on five of the indicators used in the construction of the JustJobs Index. Global averages also enable comparisons between MENA and the rest of the world on particular indicators.

# LABOR FORCE PARTICIPATION

## Definition

***The ratio of the labor force to the working age population (15-64), expressed as a percentage. The labor force is the sum of the number of persons employed and the number of persons unemployed – that is, those out of a job but actively seeking work.***

Among MENA countries, Qatar has the highest labor force participation, with 87.3 percent of its working age population part of the workforce in 2012. The country's female labor force participation rate as a share of the population aged 15+, at 50 percent is higher<sup>1</sup> than all other countries in the region except Israel and is just under the global average of 52 percent. Israel and Kuwait follow Qatar on this indicator, with 71.7 percent and 69.8 percent labor force participation in 2012. Qatar has seen the most rapid increase in labor force participation, which stands at 87.3 percent in 2012, up from 76.3 percent in 2000.

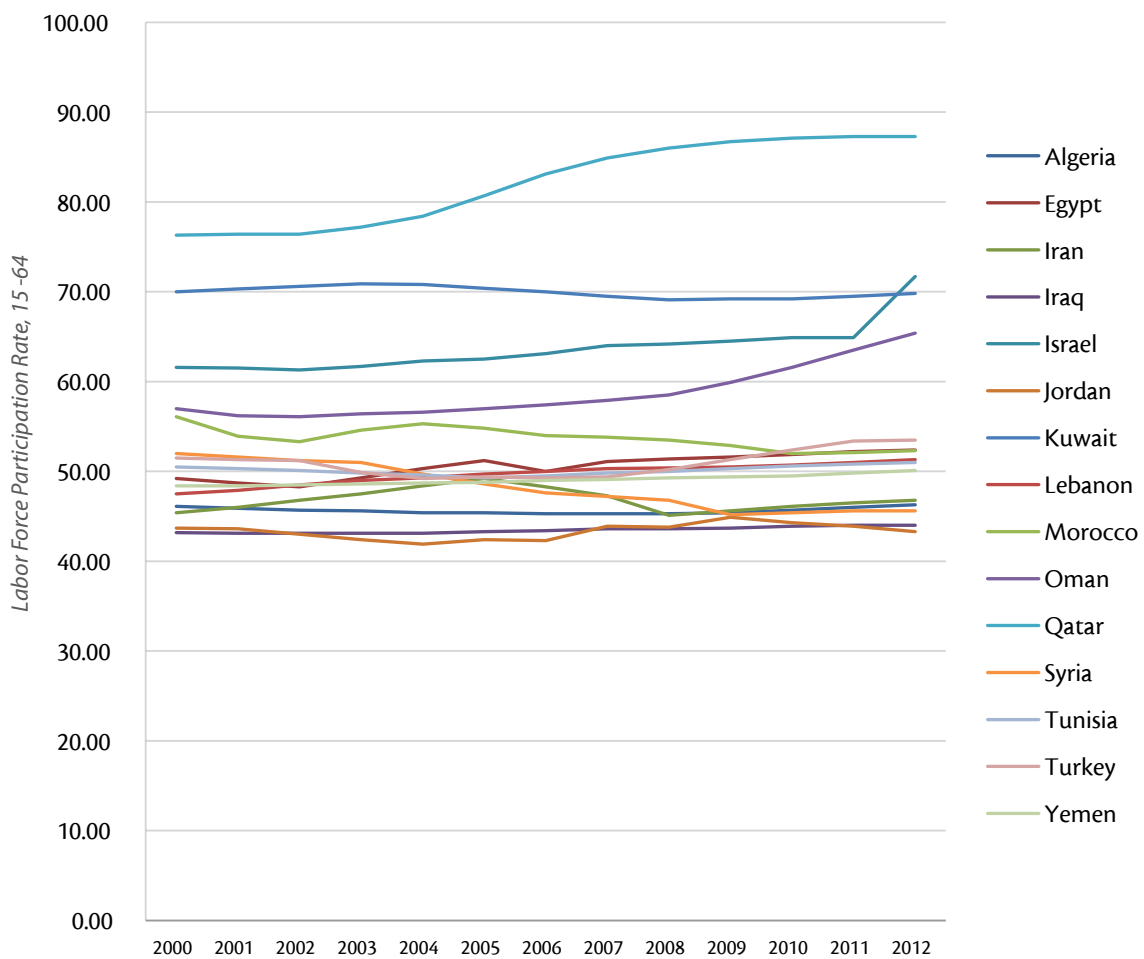
The performance of the other countries remained stagnant on this indicator, with most performing poorly. Jordan and Iraq actually have less than half of their working-age population participating in their workforce, at 43.3 percent and 44 percent respectively. In 2012, the performance of Algeria, Iraq, Jordan, Kuwait, Tunisia and Yemen remained within one percentage point of their labor force participation rate in 2000. In Syria the rate of participation decreased by over 6 percentage points, and in Morocco it decreased by almost 4 percentage points.

<sup>1</sup> United Nations Children's Fund Regional Office for the Middle East and North Africa. 2011. *Qatar: MENA Gender Equality Profile Status of Girls and Women in the Middle East and North Africa.* (Amman: Unicef). Accessed on February 20, 2015. <http://www.unicef.org/gender/files/Qatar-Gender-Equality-Profile-2011.pdf>

## Trendspotting

The average labor force participation rate among Global JJI countries was 69.3 percent in 2012, increasing marginally from 68 percent in 2000. The average among MENA countries went from 53.2 percent in 2000 to 55.4 percent in 2012, increasing at a slightly higher rate than Global JJI countries, but remaining lower overall.

	2000	2012
Global JJI Countries	68.0	69.3 ↑
MENA Countries	53.2	55.4 ↑



Labor Force Participation across MENA



# YOUTH UNEMPLOYMENT

## Definition

*The proportion of people aged 15 to 24 years, active in the labor force who are out of a job and actively looking, expressed as a percentage.*

Egypt, Yemen, Iraq and Jordan have the highest rates of youth unemployment in MENA at 35.7 percent, 34.8 percent, 32.1 percent and 31.3 percent, respectively. In the MENA region six countries out of the 15 included in the Global JJI decreased their rate of youth unemployment between 2000 and 2012. These were Algeria, Iraq, Israel, Morocco, Oman and Tunisia. The other nine countries: Egypt, Iran, Jordan, Kuwait, Lebanon, Qatar, Syria, Turkey and Yemen, all saw a worsening of joblessness among youth. Egypt saw a massive jump in its youth unemployment rate leading up to its Revolution and subsequently, which increased by 9.4 percentage points in just two years since 2010.

Algeria saw the greatest decrease in youth unemployment between 2000 and 2012, by 30.9 percentage points. Israel and Iraq decreased their youth unemployment rates by 4.7 and 4.4 percentage points. Qatar has the lowest youth unemployment rate in the region, at a negligible 1.7 percent. Kuwait stands at 9.2 percent. Qatar's youth unemployment peaked at 5.5 percent in 2004, but has declined since then as a result of multiple labor market factors. A boom in construction and transport, has led to the creation of many low skills jobs in Qatar, which will host the FIFA World Cup in 2022. The conditions of work however, remain suspect, and scrutiny has been increased manifold since 2010, when the country won the bid to host the World Cup.

## Trendspotting

The average youth unemployment rate among Global JJI countries was 18.4 percent in 2012, up from 17.7 percent in 2000. The average among MENA countries decreased marginally from 23.3 percent in 2000 to 22.3 percent in 2012, yet it remains higher than that of other Global JJI countries.

2000

2012

17.7

18.4



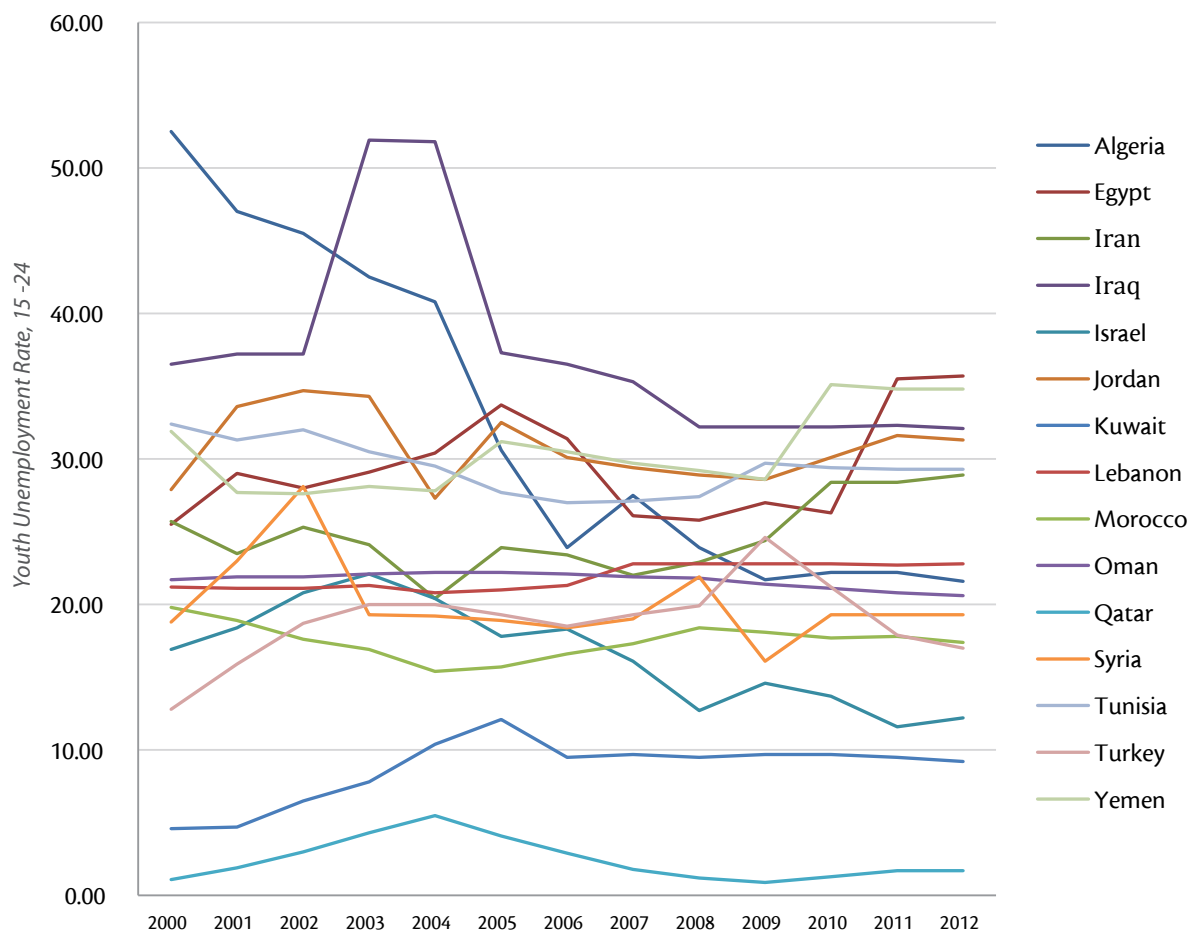
Global JJI Countries

23.3

22.3



MENA Countries



Youth Unemployment across MENA



# ACTIVE CONTRIBUTORS TO PENSION SCHEMES

## Definition

*The total number of active contributors (without double counting) to national existing contributory retirement schemes as a percentage of the total economically active population. Benefits covered are periodic cash retirement benefits. This includes both means-tested and non-means- tested schemes (both universal programs and those with income limits), provided through contributory, universal or targeted schemes.*

The coverage of contributory pension schemes in the MENA region has increased impressively compared to most other regions. In 2000, only 11.6 percent of Tunisian workers were active contributors to pension schemes. By 2012, the ratio had increased to 79 percent. Tunisia's mandatory pension scheme had an important role to play in this improvement and its coverage is one of the best in the region, although concerns remain about the financial viability of the scheme. Algeria and Jordan also made remarkable improvement over the same period. In 2000, only 22.1 percent of Algerian workers were active contributors to pension schemes. By 2012, the ratio had increased to 86.6 percent. Likewise, in 2000, only 22.4 percent of workers in Jordan were active contributors to pension schemes and in 2012, the ratio was 71.3 percent.

Israel boasts the highest number of active contributors, at 100 percent. In 2008, Israel implemented mandatory pension coverage for all workers not covered by collectively bargained pensions. It gained 16.6 percentage points in one year between 2007 and 2008. On the other end of the spectrum, Qatar and Yemen had very low number of active contributors to pension schemes. Qatar had only 3.3 percent of its economically active population contributing to a pension scheme in 2008 and Yemen had only 2.6 percent of its economically active population contributing to a pension scheme in 2011. 12.9 percent of Kuwaitis in the economically active population contributed to pension schemes in 2010 and Oman had 8.7 percent active contributors in 2011.

## Trendspotting

The average among Global JJI countries on this indicator increased remarkably between 2000 and 2012. When the millennium began, the average was 29.6 percent. By 2012, the average percent of contributing workers had grown to 43.9 percent. The average among MENA countries and its growth over the same period was comparable, increasing from 21.1 percent to 44.1 percent.

2000

2012

29.6

43.9



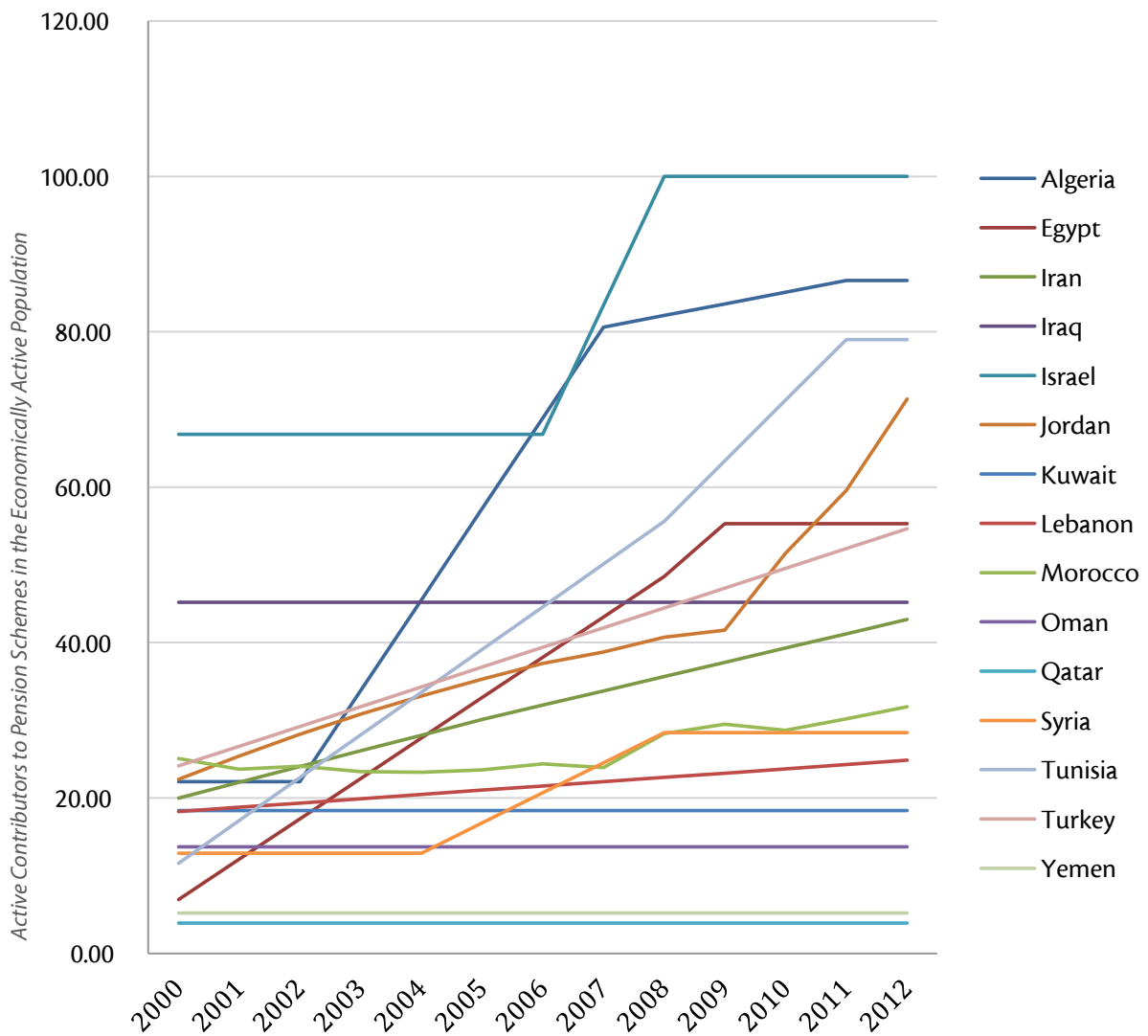
Global JJI Countries

21.1

44.1



MENA Countries



Active contributors to pension schemes across MENA



# EXPENDITURE ON SOCIAL PROTECTION & HEALTH

## Definition

*Total public social protection expenditure synthesizes the overall public redistributive effort and is closely correlated with overall coverage. It is a useful indicator for comparative purposes at the national level.*

There are few cash or in-kind government measures to provide social benefits and healthcare in MENA, with the region performing below the global JJI average. However, the countries in MENA perform better on this indicator when compared to other countries in the global South. For instance, the average public expenditure on social protection and health in South Asian countries included in the JJI as a percentage of GDP was 3.9 percent in 2012, and was 5.1 percent in Sub-Saharan Africa.

In 2012, Israel and Kuwait had the highest public expenditure on social protection and health, at 16.4 percent, and 14.4 percent, respectively. Iran, Turkey, Jordan, Egypt and Tunisia remained above the global JJI average, at 13.8 percent, 13.6 percent, 13.3 percent, 11.7 percent and 11.4 percent respectively.

The poor performance of Lebanon, Qatar and Syria, drags down the MENA average on this indicator. Lebanon, Qatar and Syria spent 1.1 percent, 1.4 percent and 2.3 percent of their respective GDPs on social protection and health. Morocco saw the greatest gains on this indicator over the 12-year period, increasing expenditure by 4.8 percentage points between 2000 and 2012. In 2000, it contributed 1.8 percent of its GDP to expenditure on social protection and health, and in 2012 it contributed as much as 6.6 percent. Iraq saw the steepest fall in public expenditure, by 5.8 percentage points over the same period.



## Trendspotting

Between 2000 and 2012, the average public expenditure for social protection and health as a percentage of GDP by Global JJI countries grew from 9.1 percent to 11.3 percent. The average among MENA countries went up from 7.4 percent to 9.0 percent, remaining below the Global JJI average.

2000

2012

9.1

11.3



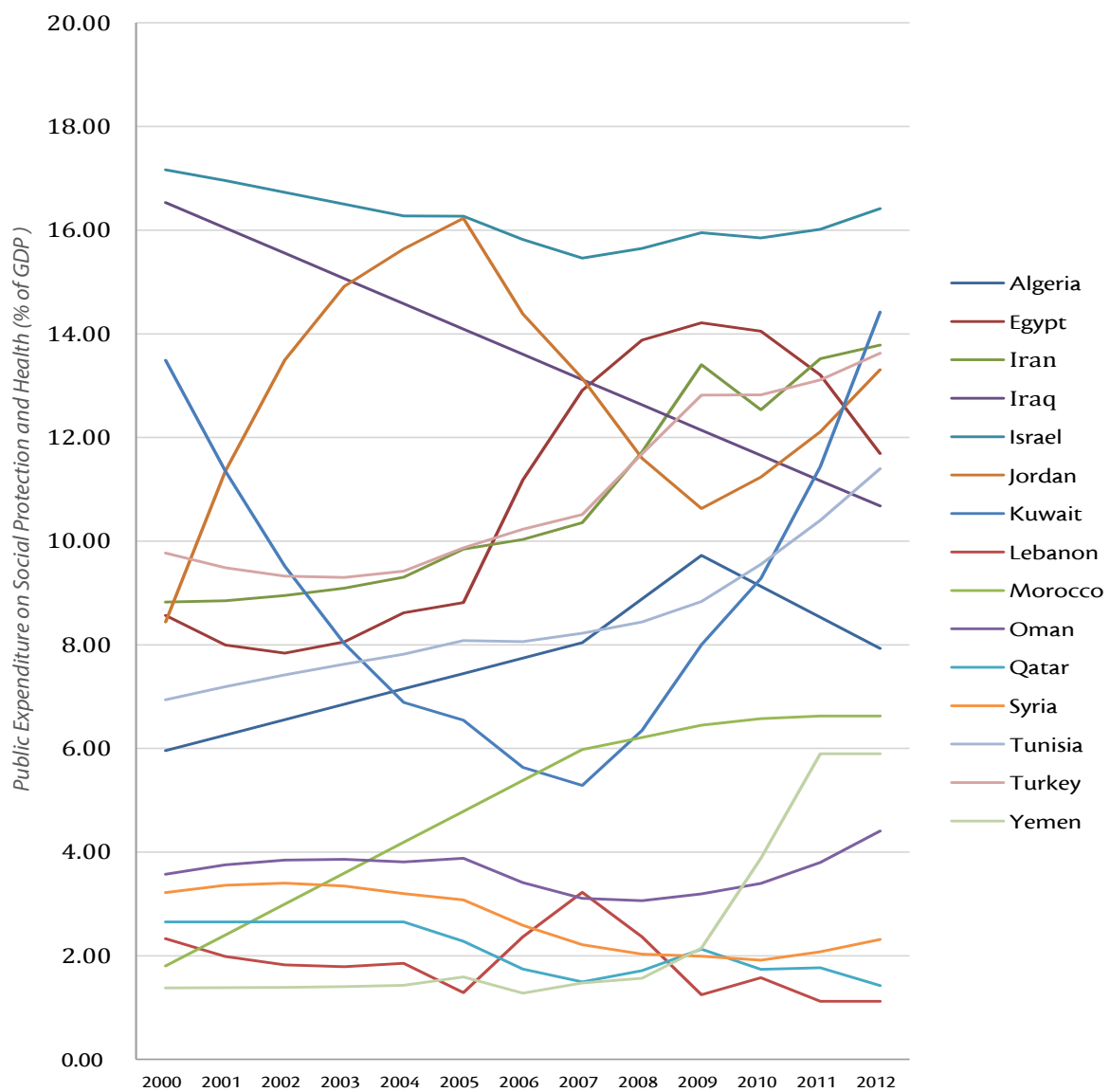
Global JJI Countries

7.4

9.0



MENA Countries



Public Expenditure on Social Protection and Health across MENA



# FEMALE-TO-MALE EMPLOYMENT RATES

## Definition

*Female employment-to-population ratio (ages 15+) divided by male employment-to-population ratio (ages 15+). The ratio of female employment to male employment is a critical indicator when it comes to judging gender parity in labor markets. The closer the ratio is to 100, the greater gender equality in the labor market.*

In MENA, Syria, Algeria and Iraq had the lowest ratios of female-to-male employment in 2012, at 15.2, 18.6 and 18.9 percent respectively. Algeria and Iraq, however, improved on this indicator by 8.7 and 3.3 percentage points, respectively. Syria saw a decline in the ratio of its female-to-male employment rate by 5.9 percentage points. Morocco also saw a decrease in its ratio, which fell from 36.8 percent to 34.3 percent over the 12-year period.

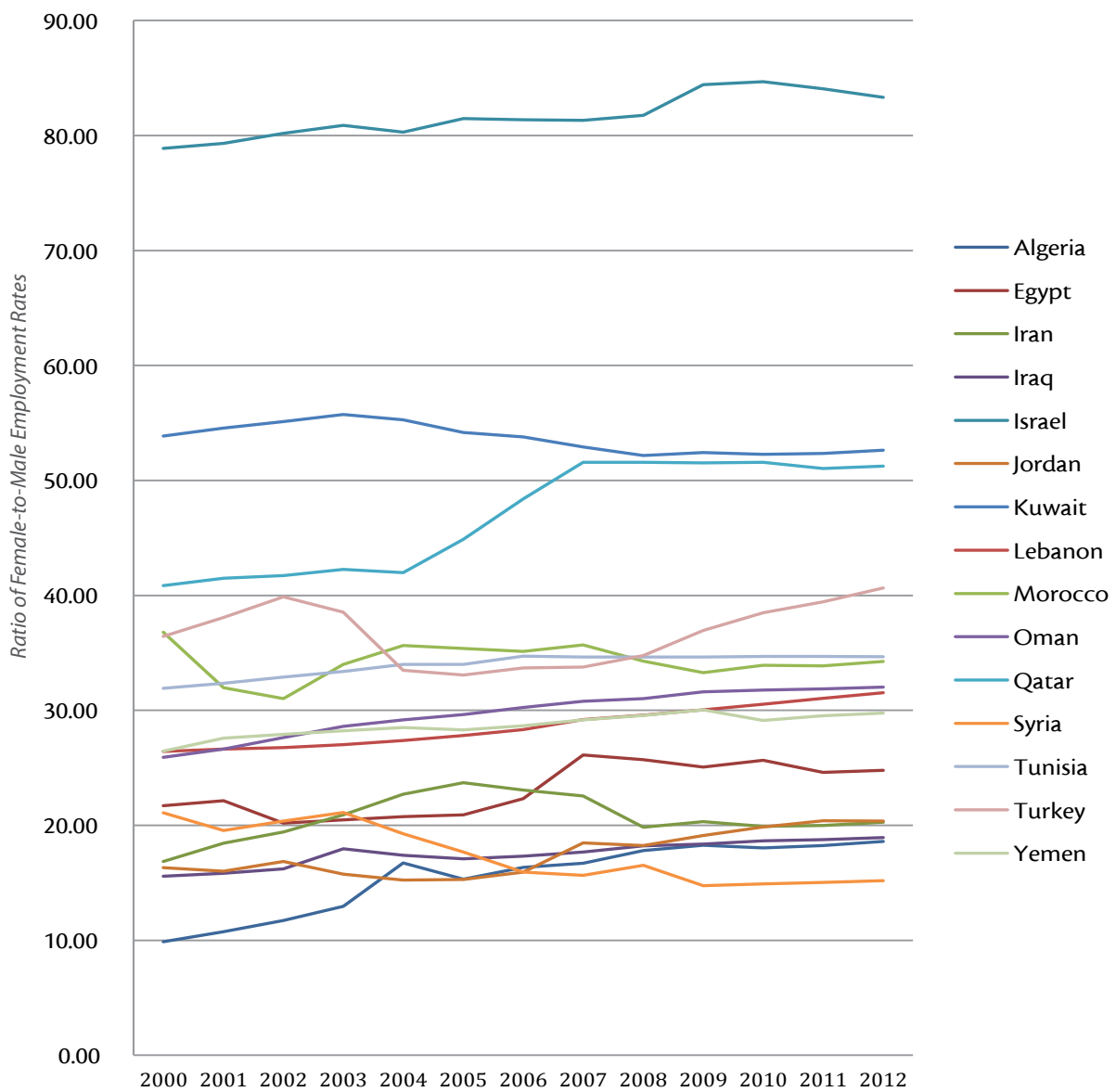
Kuwait saw a marginal decrease of 1.3 percentage points, from 53.9 percent to 52.6 percent, but remained the second best performer in the region on this indicator, behind Israel. The ratio of the female-to-male employment rate was 83.3 percent for Israel in 2012, up from 78.9 percent.

Between 2000 and 2012, Qatar made the most significant improvement on this indicator, increasing its rate from 40.9 percent to 51.3 percent. Oman improved by 6.1 percentage points, standing at 32 percent by 2012.

## Trendspotting

The average ratio among Global JJI countries worldwide has improved, rising from 66.4 percent in 2000 to 70.6 in 2012. The average ratio among MENA countries rose from 30.6 percent to 33.9 percent, but it remains significantly lower than the average ratio among all Global JJI countries.

	2000	2012	
Global JJI Countries	66.4	70.6	↑
MENA Countries	30.6	33.9	↑



Ratio of female-to-male employment rates across MENA

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